

P. Organizational Profile

P.1 Organizational Description

P.1.a Organizational Environment

P.1.a(1) For more than half a century, Honeywell Federal Manufacturing & Technologies (FM&T) (Figure 1) has provided some of the National Nuclear Security Administration's (NNSA) most intricate and technically demanding products. The Kansas City Plant facility (FM&T/KC) was built by the Navy during World War II to assemble engines for fighter planes. In 1949, the Atomic Energy Commission asked FM&T to manage the facility and build nonnuclear components for nuclear weapons.

Figure 1: FM&T Structure and Product Offerings

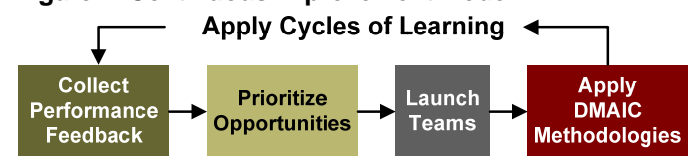
FM&T Strategic Business Centers		
FM&T / KC		FM&T / NM
Kansas City Plant (KCP)	National Secure Manufacturing Center (NSMC)	Kirtland Operations (KO)
Custom low-volume, high-reliability weapon components & systems	Non-weapons focus on custom, secure field-ready hardware products & systems	Custom electrical & mechanical components & systems

FM&T is an engineering and manufacturing services provider supporting early stage producibility programs, independent product design & manufacturability analysis, prototyping, low-volume production runs, product miniaturization, and ruggedized packaging. The delivery mechanism for main products and services is directly to the customer per the specific statement of work. FM&T teams with organizations needing applied engineering and manufacturing expertise for defense and national security product and technology development. FM&T/KC is an integrated manufacturing facility made up of a combination of technical resources, equipment capabilities, and a breadth of offerings.

Honeywell FM&T Kirtland Operations in New Mexico (FM&T/NM) was founded in 1964 as part of the U.S. atmospheric nuclear testing readiness program. KO employees maintained and operated highly sophisticated atmospheric monitoring and photographic equipment on board specially modified airplanes stationed at Kirtland Air Force Base in Albuquerque. As the scope of work expanded, Kirtland Operations has become involved in cutting-edge research for the NNSA, Los Alamos National Laboratory, and Sandia National Laboratories.

FM&T integrates service performance with product delivery to satisfy schedule commitments. Facility maintenance, infrastructure (including Information Technology), physical and cyber security, and safety are also key contract deliverables. Six Sigma Plus (SSP) improvement teams deliver improved performance and value of FM&T products and services. Due to FM&T's long history of continuous improvement, multiple cycles of learning are the norm for many processes (Figure 2). Within this application, processes that have been through 1-2 cycles of learning will be denoted with the symbol “*”. Processes that have seen three or more cycles of learning will be denoted by “***”.

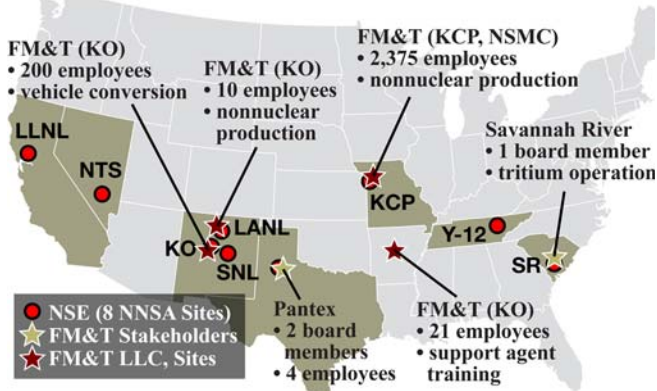
Figure 2: Continuous Improvement Model ***



P.1.a(2)

The Nuclear Security Enterprise (NSE) consists of FM&T and seven other Management and Operating (M&O) contractors, overseen by the NNSA (Figure 3). As one of the nation's most diverse low-volume, high-reliability production facilities, FM&T provides high-tech production services to government agencies with high-quality requirements. Traditionally, key characteristics of FM&T's culture include taking product requirements from the NNSA and designs from the national laboratories, procuring supplies as needed, and producing quality components and systems for other nuclear security enterprise sites and the military. These capabilities also form the basis of programs for FM&T's Non-Traditional customer, which provide services, products, and systems for homeland security, the Department of Defense and other government agencies.

Figure 3: Nuclear Security Enterprise (NSE)



Over the past 60 years, the products manufactured at FM&T have become smaller and much more complex. FM&T has evolved into a high-tech research production facility that specializes in science-based manufacturing.

P.1.a(3)

FM&T's workforce profile (Figure 4) includes employees across three shifts, with salaried and hourly workforce groups. Unions represent hourly employees at FM&T/KC. Many of the employees have education beyond high school.

Figure 4: FM&T Workforce Profile

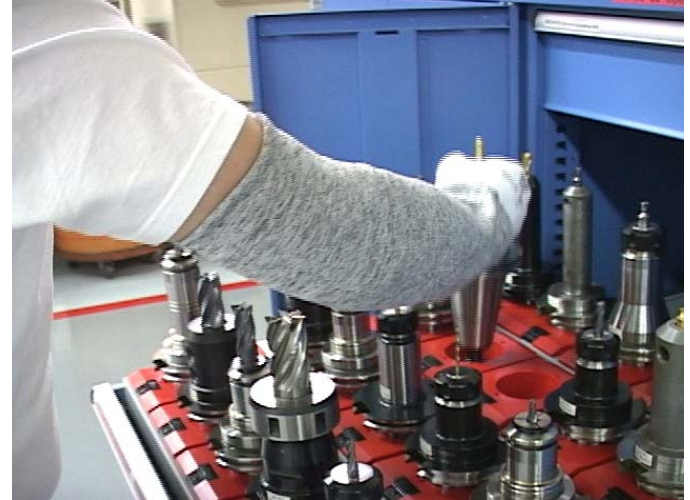
Labor	Totals		Other	Totals	
Salaried Employees	#	%	Education	#	%
Hourly Employees	#	%	Shifts		
Minorities	#	%	1st	#	%
Female	#	%	2nd	#	%
Managers	#	%	3rd	#	%

FM&T provides all employees with an array of benefits. Key factors that motivate employees based on employee satisfaction surveys show the highest rated satisfaction category as "Work Life Balance".

FM&T has formal health, safety and environmental programs to promote and ensure safe and healthy work environments for all employees (Figure 5).

FM&T/KC and FM&T/NM are DOE Voluntary Protection Program (VPP) approved Star sites. The FM&T culture continually pursues and implements safety-focused activities that are designed to raise awareness of workplace hazards and reward safe behavior.

Figure 5: FM&T Safety for the Workforce



P.1.a(4)

At its Kansas City location, FM&T encompasses three factories – mechanical, electronic, and engineered materials, in a secure production facility. FM&T models its manufacturing business after commercial industry, utilizing best practices and metrics. More than 90 advanced technologies are supported at FM&T for over 40 product lines ranging from semiconductors to semi trailers. Spanning over all of these areas are more than 61,000 years of manufacturing workforce knowledge.

As part of the Kansas City Plant management and operating contract, Honeywell Federal Manufacturing & Technologies also operates the NNSA's Kirtland Operations. This applied-science and engineering organization supports mission-critical assignments and provides technical support for national laboratories and other government agencies. The multi-state Kirtland Operations involves more than 300 employees in five locations who perform research, analysis, testing, field operations, production and full-spectrum maintenance for a variety of customers.

Technologies such as our computer modeling simulation and analysis; fabrication and assembly areas for electronic, mechanical, and plastic piece parts and assemblies; and functional and environmental testing allow smooth development of products. FM&T's applied engineering experts use Six Sigma Plus tools to characterize designs and processes, which

enables reliable, high-yielding systems and production processes. Primary technology focus areas for FM&T include custom engineering, prototyping, manufacturing, miniaturization, supply chain management, value engineering and ruggedization. In addition, FM&T supports capabilities in advanced chemical analysis, custom testing and measurement systems, environmental testing, mechanical analysis, materials diagnostics, nondestructive analysis and precision measurement.

P.1.a(5)

FM&T complies with applicable regulations, orders, and written directives relating to multiple functions, such as quality and procurement. FM&T also complies with the requirements of applicable Federal, State, and local laws and regulations. FM&T deploys Operating Requirements and contractual agreements received from customers. These requirements are audited by internal, customer, and external organizations such as ISO 9001. It is FM&T's policy to ensure that construction and service contracts comply with site-specific, federal, state, and local requirements concerning safety, health, fire protection, and environmental protection standards.

FM&T collaborates with partners on projects that do not compete with the U.S. industry and utilize approved NNSA agreements. Partners request cost estimates or quotes via an RFQ or RFI based on a Statement of Work (SOW), participate on joint or collaborative proposals, or propose cost shared projects leveraging R&D funding along with matching partner funding.

Once a project has been identified, the Business Development manager assists with the appropriate contracting agreement. FM&T offers approved agreements to initiate a variety of partnerships. Choosing the right agreement involves the following components: project requirements, funding source and funding process, and partner goals and needs. Agreements are selected based on the partner's organization type, type of work being requested, intellectual property determinations, and type of funding used to support the project.

P.1.b Organizational Relationships

P.1.b(1)

FM&T's governance system is FM&T's methodology for identifying, implementing, measuring, and

sustaining the "critical to quality" needs necessary for desired performance. The governance system is also the basis for deployment of FM&T's purpose, vision, mission and values. Key management activities are deployed that systematically identify actions taken by management to evaluate the adequacy and effectiveness of business and operational performance and systems. A formal document system provides electronic access to processes and work instructions for all FM&T employees and provides line of sight from governance through individual responsibility. One of the key governance activities is operational reviews, where commitments and performance are discussed and reviewed.

P.1.b(2)

FM&T's key markets under the contract include directive scheduled weapon work (Traditional customer) and work for others (Non-Traditional customer). FM&T's most significant differentiator is our ability to be a trusted site for producing numerous, diverse products and developing new technologies within a single secure facility. FM&T offers a full range of electronic / microelectronic, mechanical (micro to large), and engineered materials development. Customers requiring prototyping, low-volume manufacturing, tooling and testing can be supported within a single facility. FM&T defines security plans to include physical, personnel, and other security measures designed to meet customer needs.

FM&T includes market segments, customer groups and stakeholder groups in the Voice of Customer (VOC) process. Customer expectations are translated through the VOC process into FM&T priorities. The key requirements and expectations of these groups are aggregated, analyzed to understand the similarities and differences, and segmented into the Traditional and Non-Traditional customer groups.

P.1.b(3)

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Key mechanisms for communicating and managing relationships with suppliers, partners, and collaborators are face to face, electronic (web, telephone, e-store, e-catalogs, fax, Supplier Performance Index) and other traditional methods (paper).

As a Prime Contractor for the Department of Energy/NNSA, Honeywell FM&T has a Small Business Subcontracting Plan designed to assure small businesses have the maximum practical opportunity to participate in procurement activities at the Kansas City Plant. The Purchasing Organization manages the Small Business Program. Annual performance is measured from plant-wide small business goals established from a forecast of all KCP subcontracting activities. Results are reported to the DOE/NNSA and the Small Business Administration (SBA).

It is FM&T's policy to ensure that construction and service contracts comply with site-specific, federal, state, and local requirements concerning safety, health, fire protection, and environmental protection standards. Contractors are trained in site safety practices and are provided construction and service safety handbooks prior to working with FM&T. FM&T also created a "Maturity Path to Premier Construction Supplier Handbook" to partner with suppliers to assist general contractors to achieve a world-class level of performance in five core business areas. This handbook is a tool used to self-assess the level of program maturity and track improvements to supplier's internal programs and policies.

P.2 Organizational Situation

P.2.a Competitive Environment

P.2.a(1)

FM&T's budget is part of the NNSA's budget, which covers all expenses for salaries, facilities, equipment, materials, supplies, and contractor fees. FM&T is a trusted government manufacturing and service provider, and provides the experience needed for custom design, development, product enhancement, and production tailored to the individual needs of each customer. FM&T's project teams work closely with customers to define and prioritize the important drivers such as cost, quality, reliability, and survivability to make sure the design meets all customer expectations. Many of FM&T's design to prototype projects are transitioned to commercial industry for "build-to-print" higher volume manufacturing. FM&T uses

multidisciplinary teams of electrical, mechanical and materials engineers to produce high-pedigree products requiring a variety of engineering and technical skill sets. Examples of products and services provided include miniaturization, supply chain management, value engineering and ruggedization.

P.2.a(2)

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P.2.a(3)

FM&T determines the type of comparative data to pursue. Next, FM&T seeks to find the desired comparative information, and then analyzes performance differences and determines action items to be taken. Data may be limited as some companies are reluctant to share results.

P.2.b Strategic Context

FM&T is committed to being responsible stewards of the communities in which we live and work (Figures 6, 7, and 8). With Honeywell Hometown Solutions, FM&T focuses community outreach efforts on four important societal needs that align with Honeywell's heritage, products, and people. By concentrating on these priorities and working with well-regarded national partners, FM&T can make a greater impact.

FM&T's focus areas are:

Science and Math Education: School or community-based programs that encourage students to pursue careers in science, technology, engineering and math.

Family Safety and Security: Safety programs for children and families in the community most specifically those that deal with abduction and violence prevention, home safety and fire safety.

Housing and Shelter: Rebuilding Together for safe, secure, comfortable housing is a basic human need.

Figure 6: FM&T Focuses on Housing and Shelter



Humanitarian Relief: Assistance to victims of natural disasters.

Figure 7: Raising Money for Humanitarian Relief:



In an effort to give back to our hometowns, FM&T employees give over 16,000 hours of service to educational and community outreach annually. In addition, our Employee Giving Campaign raises nearly \$470,000 in Kansas City while Kirtland Operations raises \$100,000 annually.

Figure 8: FM&T Focus on Respecting the Environment



P.2.c Performance Improvement System

Honeywell's Integrity and Compliance program reflects FM&T's vision and values. It helps our employees, representatives, contractors, consultants and suppliers worldwide comply with a high standard of business conduct. Honeywell employees are proud of their company's strong reputation for ethical conduct; this program helps protect that reputation.

At the core of the Integrity and Compliance program is Honeywell's CODE OF BUSINESS CONDUCT. All agents, consultants, contractors, representatives, suppliers, and employees of Honeywell are ultimately responsible for conducting themselves in an ethical manner in compliance with applicable laws. Our Code provides guidelines to ensure that FM&T is successful in this endeavor.

Under the leadership of the Integrity and Compliance Council, FM&T pursues a dynamic corporate-wide enforcement effort that engages Business Conduct Leaders in each business unit and each region of the world.

FM&T is committed to preeminence in:

- Providing products and services valued by our customers;
- Complying with regulations and requirements;
- Respecting individuals and preventing injury/illness;
- Respecting the environment, preventing pollution and minimizing our environmental footprint;
- Continuously improving processes

In addition to these, many FM&T employees volunteer in the community through the Employees Club, which was created in part to promote, encourage, and recognize employee participation in community outreach. More than half of our managers and directors also hold leadership positions in civic and charitable organizations.

Six Sigma Plus (SSP) improvement teams deliver improved performance and value of FM&T products and services. Due to FM&T's long history of continuous improvement, multiple cycles of learning are the norm for many processes.

Performance improvement at FM&T is also achieved by benchmarking and adopting best commercial practices. FM&T has utilized programs that are based on the Baldrige criteria to improve processes and business results.

For more information about Honeywell FM&T, please visit the KCP.COM website.

